

Instr: 201010260042202
P: 1 of 4 F: \$44.00 10/26/2010
Rick Campbell 8:43AM LEAS
Stark County Recorder T20100035001

NON-DRILLING OIL & GAS LEASE

THIS LEASE, dated this 18 day of October, 2010, by and between **Michael R. Berg, (widower, not remarried), 16190 Terramont Street, NE, Minerva, OH, 44657-9124**, hereinafter referred to as Lessor, and **D&L Energy, Inc., an Ohio Corporation, of 2761 Salt Springs Rd, Youngstown, OH, 44509**, hereinafter referred to as Lessee, hereby agree as follows:

1.) Lessor, for and in consideration of one dollar (\$1.00) and OVC, grants Lessee, its heirs, successors and assigns the right to produce and market all the oil and gas in and under the lands described below, with the exclusive rights to operate for, produce and market the same from a well or wells on other lands; the right to unitize Lessor's lands, or any portion, along with other lands into a drilling unit(s) of not more than **seventy (70)** acres. This Lease is for **one (1)** year and as long thereafter as oil and gas are produced in paying quantities. This Lease covers all of Lessor's land in and adjoining, said Parcel No(s). 4103662, bounded now or formerly, as follows:

North by lands of:	Terramont Street	East by lands of:	Digiacomio
South by lands of:	New Franklin/Klee/Stone	West by lands of:	Ware

In the Township of Paris, County of Stark, State of Ohio, containing 15.70 acres, more or less.

Section 1	Township 17, North	Range 6 West
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2.) Lessor shall be paid as royalties a proportional share of one-eight (1/8th) of the proceeds by Lessee on all oil and gas sold off the unit, as the amount of Lessor's acreage in the unit bears to the total acreage in the unit. Payment or royalty for gas marketed during any calendar month to be on or about the 30th day after receipt of such funds by the Lessee. Lessee to deduct from payments of proceeds by Lessee, Lessor's prorata share of any tax imposed by any government body.

3.) No well shall be drilled or activities conducted on Lessor's property, the within Lease being granted for the purposes of permitting the Lessee to unitize and develop the leased properties with other properties. Lessor understands and gives consent that, due to slant (directional) drilling, originating from surface entry on a parcel not owned by Lessor, the well bore may pass through or terminate below the surface of Lessor's property. Lessee shall be liable for any damages caused by operations under this lease or unit.

4.) In case the Lessor owns a less interest in the above described premises than the entire and undivided fee simple therein, then the royalties and rentals herein provided for shall be paid to the Lessor only in the proportion which such interest bears to the whole and undivided fee. If said land is owned by two or more parties, or the ownership of any interest therein should hereafter be transferred by sale, devise or operation of law, said land, nevertheless, may be held, developed and operated as an entirety, and the rentals and royalties shall be divided among and paid to such several owners in the proportion that the acreage owned by each such owner bears to the entire leased acreage.

Non-Drilling Oil & Gas Lease – page 2

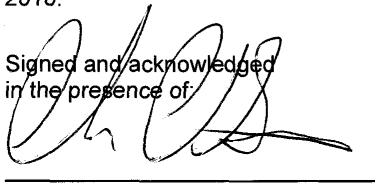
5.) No change of ownership in the leased premises or in the rentals or royalties hereunder shall be binding on the Lessee until after notice to the Lessee by delivery of notice in writing duly signed by the parties to the instrument of conveyance or assignment and delivery of a duly certified copy thereof to the Lessee.

6.) Lessor further agrees that the Lessee shall have the right at any time to redeem for Lessor, or otherwise acquire by payment, any mortgage or other liens upon the described lands which any manner affect the Lessee's interest therein in the event of default of payment by Lessor and be subrogated in full to all the holder thereof the same as if Lessee were the original owner of said mortgage.

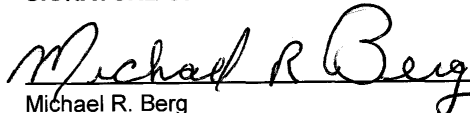
7.) See addendum attached hereto.

IN WITNESS WHEREOF, the Lessor hereunto set their hands to this Non-Drilling Oil and Gas Lease, referenced herein on this 19 day of October, 2010.

Signed and acknowledged
in the presence of:



SIGNATURE OF LESSOR


Michael R. Berg

STATE OF Ohio

:

:SS:

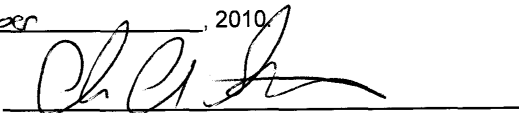
INDIVIDUAL

COUNTY OF Stark

:

Before me a Notary Public in and for said county and state personally appeared the above named Michael R. Berg who acknowledged to me that he did execute the foregoing instrument and that the same is his free act and deed for the purpose therein set forth.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal this 19 day of October, 2010.



Notary Public

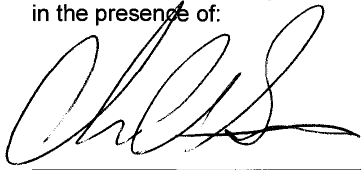


Christopher A. Scenna
My Commission Expires
July 19, 2015

Instr: 201010260042202 10/26/2010
P: 3 of 4 F: \$44.00
Rick Campbell 8:43AM LEAS
Stark County Recorder T20100035001

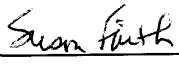
Non-Drilling Oil & Gas Lease – page 3

Signed and acknowledged
in the presence of:



SIGNATURE OF LESSEE

D & L Energy, Inc.

By: 
Susan Faith, President

STATE OF OHIO :

:SS:

CORPORATION

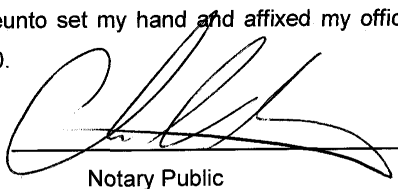
COUNTY OF MAHONING :

Before me, the undersigned Notary Public in and for the above County and State, personally appeared Susan Faith, who after first being duly sworn according to law, acknowledged before me that she is the President of D & L Energy, Inc. and that she did execute the foregoing instrument in such capacity and that the same was her free act and deed individually and as such officer and authorized agent, and the free and corporate act and deed of said Corporation, for the uses therein contained.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal this 14 day of October, 2010.



Christopher A. Scenna
My Commission Expires
July 19, 2015


Notary Public

1503904

This instrument prepared by:
D&L Energy, Inc.
2761 Salt Springs Rd.
Youngstown, OH 44509

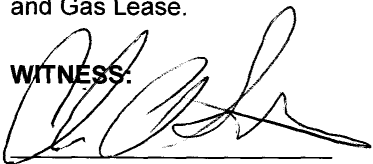
ADDENDUM OF OIL AND GAS LEASE

THIS ADDENDUM OF OIL AND GAS LEASE, dated this 18 day of October, 2010, by and between Michael R. Berg, (widower, not remarried) of 16190 Terramont Street, NE, Minerva, OH, 44657-9124, hereinafter referred to as Lessor, and D&L Energy, Inc., an Ohio Corporation, of 2761 Salt Springs Rd, Youngstown, OH, 44509, hereinafter referred to as Lessee, hereby agree as follows:

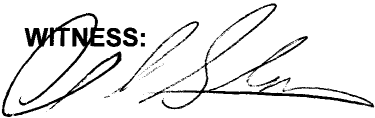
- 1.) Lessor shall receive a \$500.00 bonus, fourteen (14) days after commencement of drilling.
- 2.) The within lease shall cover from surface to one hundred (100) feet below the base of the Clinton & Medina Formation or its stratigraphic equivalent.
- 3.) The Lessors full 15.70 acres, more or less, shall be unitized with the Effinger Unit #1 oil and gas well.

In the event that there is a conflict between the Oil and Gas Lease and the Oil and Gas Lease Addendum, the Oil and Gas Lease Addendum shall override the Oil and Gas Lease.

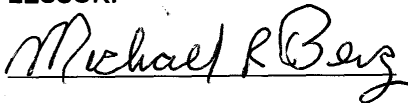
WITNESS:



WITNESS:



LESSOR:



LESSEE:

